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National Intelligence Daily

Wednesday 28 April 1982

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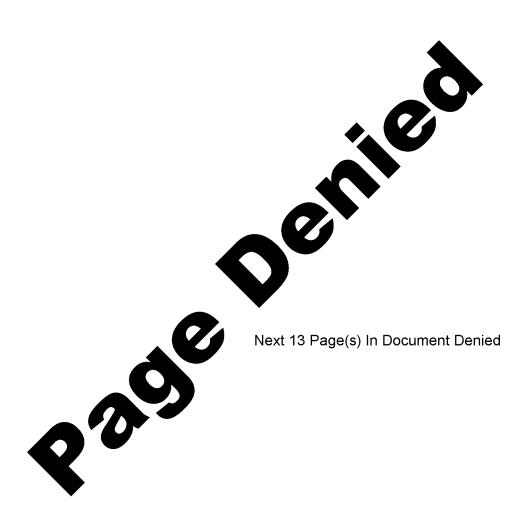
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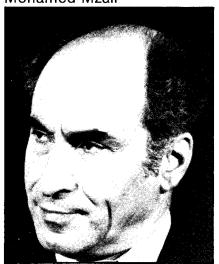
	Top Secret
Contents	
7 Tunisia-US: Prime Minister Mzali's Visit	12

Sanitized Copy Approved for Release 2011/03/18 : CIA-RDP84T00301R000200010206-7

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Mohamed Mzali



Prime Minister since April 1980 – age 55 – studied philosophy and letters at Sorbonne–taught at secondary and university level in Tunis in 1950s – former Minister of Education–former head of Tunisian radio and television–served as Minister of Public Health and Secretary of State for National Defense–able administrator with no independent political base–straightforward though somewhat formal–married, with six children.

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(TUNISIA-US: Prime Minister Mzali's Visit
1/6	Prime Minister Mzali, who is President Bourguiba's designated successor, will attempt during his visit to Washington this week to expand Tunisia's security relationship with the US while preserving its Arab credentials. Mzali's first priority is to obtain more US military aid. He will also seek additional commitments of economic aid and relaxation of US import restrictions on Tunisian products.
))	Mzali is seeking help to deter a potential Libyan military threat and to avoid heavy dependence on Algeria for security support. Tunisia is embarked on an ambitious modernization of its defenses, and Mzali wants to conclude a foreign military sales agreement with the US during this trip. He probably will request larger credits for next year because Saudi aid for the country's military modernization program has not been delivered as promised.
9	To preserve Tunisia's reputation with the Arab states, Mzali may feel compelled to criticize US support for Israel. The Prime Minister, nonetheless, probably would be willing to explain the US position on regional issues to other Arabs. He may ask for broader Tunisian participation in US planning for North Africa and the Middle East, in view of tensions between the US and Libya and the closer US-Moroccan relationship.
] [Mzali is likely to proceed cautiously, however, in order to protect his position until Bourguiba departs. Although age and health problems prevent Bourguiba from exercising tight control over the government, he limits Mzali's freedom of action and occasionally reverses his decisions. Mzali also faces opposition from Bourguiba's wife and her favorites, including the Foreign Minister.
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Top Secret

28 April 1982

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	Political and Economic Pressures
\ <u>\</u>	Politically, the government is occupied with its liberalization program, tension between the government and labor unions, and growing public demand for Tunisia to improve its standing with other Arabs. In addition, Islamic fundamentalist activity, dampened last summer by government arrests and trials, reappeared last month when fundamentalist students and leftist students confronted each other on university campuses.
	The economy has made impressive gains over the past decade, but the new five-year development plan will be disrupted by rising rates of unemployment, inflation, and population growth. The government's use of substantial wage increases and commodity subsidies to avert social unrest is contributing to a reduction in domestic investment.
2/3/10	The drought in 1981 and slack private investment has slowed the growth of agricultural production. Tunisia probably will become a net oil importer by the end of the decade and have more difficulty financing economic development.
16	Mzali will ask the US for greater economic aid-Tunisia is scheduled to receive PL 480 aid totaling \$12.6 million in 1982and trade concessions. He would like to expand Tunisia's share of the US market in textiles and agricultural products to replace sales that will be lost when Spain and Portugal join the EC.
(0	Regional Relations
9	Tunisia's small size, population, and resource base make it vulnerable to external threats and subversion. It is particularly wary of Algeria and Libya.
11	Relations with Algeria warmed considerably after President Bendiedid gained power in Algiers
	Although Tunisia wants good relations with Algeria in order to discourage
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	28 April 1982

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	meddling in Tunisian politics, it opposed the seating of the Algerian-backed Polisario Front at the OAU meeting in Addis Ababa in February.
	The recent rapprochement with Libya remains undependable despite economic and political cooperation agreements concluded during Libyan leader Oadhafi's
1/_	visit to Tunis earlier this year.

After Bourguiba

As president, Mzali probably would pursue a more "nonaligned," pro-Arab foreign policy, but he would avoid close ties with the USSR. Tunisia would continue to rely on the US and Western Europe for military support, economic aid, and investment. At home, Mzali probably would encourage some political liberalization and relax restrictions on Islamic fundamentalists in hopes of mollifying latent discontent.

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28 April 1982

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